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Senegal

Cotton and Products Update

2014 West Africa Cotton and Products

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Report Highlights:

Marketing Year (MY) 2014/15 (Aug/July) cotton seed production is expected to fall 5 percent from Post August's forecast to 1.77 million tons. The estimated crop decline is primarily the result of intermittent rains with long pause in June and July. Nevertheless, MY 2014/15 production is expected to increase by 10 percent from the previous year. Burkina Faso, the largest cotton producer in West Africa, forecasts stable production similar to the previous year at 645,000 tons while Mali foresees a 25 percent growth at 550,000 tons. Cote d'Ivoire expects an 8 percent increase at 440,000 tons, Chad 46 percent increase at 120,000 tons, while Senegal forecasts a 28 percent decline at 21,000 tons. MY 2013/14 farm gate price for Cote d'Ivoire was recalculated in August 2014, and a gain of 4.5 F CFA (\$0.009) was added to the initial price making the final price 254.5 F CFA (\$0.50). The cotton producers decided to use the additional revenue to create a microfinance institution.

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Executive Summary:

Despite a difficult rainy season with a long pause in June and July, seed cotton production for Senegal, Cote d'Ivoire, Burkina Faso, Mali and Chad for MY 2014/15 is estimated at 1.77 million tons, down 5 percent from the initial target due to dry season at planting time. However, this production is expected to increase 10 percent from the preceding year.

Except for Cote d'Ivoire, other countries have revised down their previous forecasts. Burkina Faso, the largest cotton producer in West Africa, now estimates its production at 645,000 tons, with no change compared to last year's, but a 9 percent decrease from its initial forecast due to less favorable weather conditions. Mali anticipates a 25 percent growth compared to the previous year and 9 percent drop from previous target. Chad plans to increase production by 46 percent from last year, but a 20 percent decrease from initial forecast. Senegal expects its production to drop by 28 percent from the previous year, a 33 percent decrease from its initial forecast. (See Table 1)

Ivoirian cotton producers received an extra price of 4.5 F CFA per kg on top of the 250 F CFA announced MY 2013/14 farm gate price. Consequently, the cotton producers decided to use the extra fund to create a microfinance institution.

In Chad, last season's farm gate cotton and inputs prices for fertilizers and urea have been tacitly renewed since no decision was made on time. (See table 2 and 3)

The new Intercoton association (Interprofessionnelle de la filiere cotton) which regroups all cotton stakeholders including producers, ginners, crushers, and textile actors was officially recognized by the Government of Cote d'Ivoire (GOCI) in September 2014.

MY 2014/15 cotton update for selected West African countries

Burkina Faso

Production

In August 2014, Burkina Faso forecasted 710,000 tons of seed cotton production for MY 2014/15 but due to a difficult rainy season, particularly in the Eastern part of the country which is an important cotton production zone, it reduced the estimate down. Consequently, Burkina Faso's MY 2014/15 seed cotton production is now estimated to be about the same quantity as the previous year, but 9 percent less than the initial forecast. Cotton companies estimate cotton production at 645,000 tons.

MY 2014/15 fixed prices for fertilizer and urea dropped five percent compared to the previous year (from 15,500 F CFA (\$31) per 50 kg bag in MY 2013/14 to 14,800 F CFA (\$29.6) per 50 kg bag in MY 2014/15.

(See table 3)

Biotechnology Update

Burkina Faso expects about 70 percent of the area harvested in MY 2014/15 will be Bt cotton.

Mali

Production

Mali is the second largest cotton producer in the region. The *Compagnie Malienne pour le Développement des Textiles* (CMDT) forecasts MY 2014/15 seed cotton production to reach 550,000 tons, 9 percent less than Government of Mali's (GOM) initial target (600,000 tons). The reduction is due to the 25,000 hectares that were flooded. However, MY 2014/15 production will represent 25 percent increase compared to the preceding year and a 6 percent increase compared to the CMDT National Strategic Development Program MY 2014/15's objective.

The MY 2014/15 farm gate cotton price is set at 235 F CFA (\$0.47), 6.4 percent below last season's (250 F CFA (\$0.50) per kg). (See table 2)

The African Biosafety Network of Expertise (ABNE) has postponed the workshop it was supposed to organize in September 2014 to early 2015. The objective of the workshop was to reinforce the capacity of biosafety regulators to manage requests of confined field trials of genetically engineered organisms.

Cote d'Ivoire

Production

Cote d'Ivoire's August forecast did not change and MY 2014/15 seed cotton production is still estimated at 440,000 tons, representing 8 percent growth from last season due mainly to the increase in number of farmers (60,000 in 2008 to 115,000 in 2014).

Cote d'Ivoire expects to harvest 414,000 hectares of seed cotton in MY 2014/15.

This production is still far from the Government of Cote d'Ivoire's (GOCI) objective which is to produce 600,000 tons in MY 2015/16 and 800,000 tons by 2020.

Privatization

The new Intercoton Association (Interprofessionnelle de la filière coton) which regroups all cotton stakeholders including producers, ginners, crushers, and textile actors was recognized officially by the Government of Cote d'Ivoire (GOCI) in September 2014.

For more information on cotton sector reform including Intercoton, please visit previous GAIN reports.

Pricing

In August 2014, the MY 2013/14 farm gate price was recalculated at 262.86 F CFA per kg instead of 250 F CFA per Kg announced at the beginning of the campaign. The agreement signed in April 2013 between the inter-professional cotton actors to determine farm gate price, stipulated that for any extra gain from fiber sales, 35 percent of it should be paid to the producers and 65 percent to the ginners. Consequently, 4.5 F CFA per kg was added to the previous price. Producers then decided to use the fund to create a microfinance institution.

MY 2014/15 farm gate price is fixed at 230 F CFA (\$0.46) per kg. (See table 2)

Input prices for MY 2014/15 are fixed at 14,495 F CFA (\$29) per 50 kg bag of fertilizer and 13,310 F CFA (\$26.6) per 50 kg bag of urea representing 9 percent and 16 percent increase respectively from the previous year. (See Table 3)

Senegal***Production***

The rainy season in Senegal started early but ended during the planting season (June and July). Rain resumed in August and was regular and well distributed. The few rains in October did not add much to cotton production. Therefore, initially forecasted planted area decreased and the Societe de Developement des Fibres Textiles (SODEFITEX) announced in July that it would only meet 85 percent of their objective representing 28,000 tons of seed cotton. After a second assessment in August, MY 2014/15 seed cotton production was finally estimated at 21,292 tons planted over 25,057 hectares and a yield of 0.850 tons per hectare. The MY 2014/15 production will record a 24 percent decrease from the August's estimate (28,000 tons).

Pricing

Farm gate price usually announced at the beginning of the campaign in April/May has not yet been announced.

MY 2014/15 input prices are fixed at 10,500 F CFA (\$ 21) for 50 kg bag of urea and 12,500 F CFA (\$25) for 50 Kg bag of fertilizer, representing 17 percent and 40 percent increase, respectively, from last year prices. (See table 2).

Chad***Production***

Chad's MY 2014/15 seed cotton production is estimated to increase by 46 percent from the preceding year but a decrease of 20 percent from initial forecast. This increase is primarily due to a better raining condition.

The harvested area is 255 000 hectares which gives a yield of 0.471 tons per hectares. This yield is the lowest in the selected countries due to low use of inputs and non respect of technical itineraries.

Pricing

Farm gate cotton and inputs prices for fertilizers and urea have been tacitly renewed from last season since no decision was made on time. (See table 2 and 3)

Table 1: Seed Cotton Production: MY 2012/13 – MY 2014/15 (Aug-Jul)

Selected Countries	2012/13	2013/14	2014/15	2012/13	2013/14	2014/15
	USDA Official Production	Post Updated Data Production	Post Forecasted Data Production	USDA Official Production	Post Updated Data Production	Post Forecasted Data Production
	(000 Bales)	(000 Bales)	(000 Bales)	(000 Tons)	(000 Tons)	(000 Tons)
Burkina Faso	1,216	1,249	1,244	630	647	645
Mali	869	849	1,061	450	440	550
Cote d'Ivoire	704	782	849	365	405	440
Chad	170	158	232	88	82	120
Senegal	62	56	40	32	29	21
Total	3,021	3,094	3,426	1,565	1,603	1,776

(Source: FAS Dakar estimates and official country data)

*1 Bale = 480 lbs

**Table 2: Official Farm Gate Price for First Quality Seed Cotton*:
MY 2011/12 – MY 2014/15**

Selected Countries	Official 2011/12 Farm Gate Price for First Quality (F CFA)	Official 2012/13 Farm Gate Price for First Quality (F CFA)	Official 2013/14 Farm Gate Price for First Quality (F CFA)	Official 2014/15 Farm Gate Price for First Quality (F CFA)
Burkina Faso	274 (\$0.55)	253 (\$0.45)	245 (\$0.49)	225 (\$0.45)
Mali	275 (\$0.55)	255 (\$0.51)	250 (\$0.50)	235 (\$0.47)
Cote d'Ivoire	265 (\$0.53)	265 (\$0.53)	254.5 (\$0.50)	230 (\$0.46)
Chad	215 (\$0.43)	215 (\$0.43)	240 (\$0.48)	240 (\$0.48)
Senegal	255 (\$0.51)	255 (\$0.51)	255 (\$0.51)	N/A

Table 3: Official Input Price (Fertilizer and Urea) MY 2011/12 – MY 2014/15*

Countries	Official 2012/13 Input Price (F CFA)	Official 2013/14 Input Price (F CFA)	Official 2014/15 Input Price (F CFA)
Burkina Faso	Fertilizer: 13,500 F (\$27) Urea: 15,500 F (\$31).	Fertilizer: 15,000 (\$31) Urea: 15,500 F (\$31).	Fertilizer: 14,800 (\$29.6) Urea: 14,800 (\$29.6)
Mali	Fertilizer: 12,500 F (\$25) Urea: 12,500 F (\$25)	Fertilizer: 12,500 F (\$25) Urea: 12,500 F (\$25)	Fertilizer: 11,000 (\$22) Urea: 11,000 F (\$22).
Cote d'Ivoire	Fertilizer: 14,000 F (\$28) Urea: 12,800 F (\$26)	Fertilizer: 13,330 F (\$26.6) Urea: 11,500 F (\$23)	Fertilizer: 14,495 F CFA (\$29) Urea: 13,310 F CFA (\$26.6)
Chad	Fertilizer: 15,000 F (\$30) Urea: 14,000 F (\$28)	Fertilizer: 16,000 F (\$32) Urea: 15,000 F (\$30)	Fertilizer: 16,000 F (\$32) Urea: 15,000 F (\$30)
Senegal	Fertilizer: 9,000 F (\$18) Urea: 9,000 F (\$18)	Fertilizer: 9,000 F (\$18) Urea: 9,000 F (\$18)	Fertilizer: 12,500 F (\$25) Urea: 10,500 F (\$21)

*(Source: Official sources; \$1= 500 F CFA; F CFA per kg)

Production, Supply and Demand Data Statistics (1000 Hectares (HA), 1000 480 lb. Bales, PERCENT, KG/HA)

Burkina	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	580	630	625	647	645	630
Beginning Stocks	286	286	282	272	303	241
Production	1,175	1,216	1,250	1,249	1,300	1,244
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1,461	1,502	1,532	1,521	1,603	1,485

Exports	1,175	1,200	1,225	1,250	1,125	1,200
Use	4	30	4	30	4	30
Loss	0	0	0	0	0	0
Total Dom. Cons.	4	30	4	30	4	30
Ending Stocks	282	272	303	241	474	255
Total Distribution	1,461	1,502	1,532	1,521	1,603	1,485

Mali	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	523	521	480	480	570	600
Beginning Stocks	302	302	246	246	271	220
Production	869	869	850	849	1,000	1,061
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	1,171	1,171	1,096	1,095	1,271	1,281
Exports	900	900	800	850	850	1,031
Use	25	25	25	25	25	25
Loss	0	0	0	0	0	0
Total Dom. Cons.	25	25	25	25	25	25
Ending Stocks	246	246	271	220	396	225
Total Distribution	1,171	1,171	1,096	1,095	1,271	1,281

Cote d'Ivoire	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	

	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	375	380	355	445	390	386
Beginning Stocks	218	218	178	153	178	100
Production	685	704	750	782	800	849
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	903	922	928	935	978	949
Exports	675	715	700	785	650	799
Use	50	54	50	50	50	50
Loss	0	0	0	0	0	0
Total Dom. Cons.	50	54	50	50	50	50
Ending Stocks	178	153	178	100	278	100
Total Distribution	903	922	928	935	978	949

Chad	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0		0		0	
Area Harvested	200	200	205	205	225	255
Beginning Stocks	43	43	43	37	33	20
Production	160	170	160	158	180	232
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	203	213	203	195	213	252
Exports	150	166	160	165	150	232
Use	10	10	10	10	10	10
Loss	0	0	0	0	0	0
Total Dom. Cons.	10	10	10	10	10	10
Ending Stocks	43	37	33	20	53	10
Total Distribution	203	213	203	195	213	252

Senegal	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Aug 2012		Market Year Begin: Aug 2013		Market Year Begin: Aug 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	35	35	32	32	34	25
Beginning Stocks	15	15	12	12	13	11
Production	62	62	56	56	60	40
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	77	77	68	68	73	51
Exports	60	60	50	55	50	44
Use	5	5	5	2	5	2
Loss	0	0	0	0	0	0
Total Dom. Cons.	5	5	5	2	5	2
Ending Stocks	12	12	13	11	18	5
Total Distribution	77	77	68	68	73	51

Acronyms

ABNE	<i>African Biosafety Network of Expertise</i>
CMDT	<i>Compagnie Malienne pour le Développement des Textiles</i>
GOCI	<i>Government of Cote d'Ivoire</i>
GOM	<i>Government of Mali</i>
GOS	<i>Government of Senegal</i>
INTERCOTON	<i>Association Interprofessionnelle de la Filière Coton</i>
SODEFITEX	<i>Société de Développement et des Fibres Textiles</i>